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INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBY/AMEMBASSY CANBERRA 0663
RUEHBJ/AMEMBASSY BEIJING 1577
RUEHKA/AMEMBASSY DHAKA 4656
RUEHNE/AMEMBASSY NEW DELHI 4200
RUEHUL/AMEMBASSY SEOUL 7754
RUEHKO/AMEMBASSY TOKYO 5314
RUEHCN/AMCONSUL CHENGDU 1241
RUEHCHI/AMCONSUL CHIANG MAI 1183
RUEHCI/AMCONSUL KOLKATA 0110
RUEABND/DEA HQS WASHINGTON DC
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RUEHGV/USMISSION GENEVA 3368
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RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 1098
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C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 001090

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STATE FOR EAP/MLS, INR/EAP, EEB/TFS
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E.O. 12958: DECL: 11/06/2017
TAGS: [ECON](#) [EFIN](#) [PREL](#) [PGOV](#) [BM](#)
SUBJECT: BURMA: A TALE OF TWO CRONIES

REF: A. RANGOON 1076
[B.](#) RANGOON 645
[C.](#) RANGOON 328

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Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4
(b and d)

[11.](#) (C) Summary. Despite being the senior generals' two favorite cronies, Steven Law and Tay Za could not be more different. Steven Law, the son of a known drug smuggler, keeps a low profile and conducts his business with little fanfare. Known as a consummate businessman, Law is lauded for his ability to get the job done professionally and quickly. Tay Za is the polar opposite: a spotlight loving man with little business experience. He used his connections with the regime to get rich, flaunting his money and status, as well as his connections with the regime. Despite the differences, both Steven Law and Tay Za use their close ties to the senior generals, using their relationships to obtain government contracts and increase their wealth. End Summary.

Steven Law: Flying Under the Radar

[12.](#) (C) Tun Myint Naing, a.k.a. Steven Law, is known among Burma's business circles as the regime's top crony. Anwar Hussain (PROTECT), a prominent businessman and member of the Tuesday Breakfast Club (a group of businessmen who meet regularly to discuss business issues in Burma) informed us that when the regime wants to build something, whether it be a new capital, port, or highway, the senior generals choose Steven Law's construction company, Asia World. He is the consummate businessman and has the ability to finish projects

quickly and efficiently, echoed Martin Pun (PROTECT), Chair of the Tuesday Breakfast Club. Despite coming from a wealthy family (his father is the notorious drug trafficker, Lo Hsing Han), Law does not flaunt his money but instead does his best to avoid the limelight (Ref B). Steven Law, who is known to be discreet and soft spoken, lives modestly and rarely makes public appearances, Pun informed us. Even his offices, located at 61-62 Bahosi Housing Wardan Street in Lanmadaw Township, are sparsely furnished.

¶3. (C) According to Hussain, despite his commercial prowess, Law is not popular with the local business community. Several businessmen, pointing to his family's drug smuggling connections, argued that Steven Law cannot be trusted. He has a close relationship with the Chinese, Hussain noted, and some people believe that the Chinese are using Law to gain greater access to Burma's natural resources. Pun explained that Law, who has a close relationship with Vice Senior General Maung Aye, has traveled with the Senior General on trips to China, and built Than Shwe's home in Nay Pyi Taw, chose to become a crony to ensure the success of his many business ventures.

¶4. (C) Despite his close connections to the regime, Law has also fallen victim to the GOB's inability to pay its creditors (Ref A). The GOB has yet to pay Asia World for the construction of Nay Pyi Taw, Pun explained. Instead, the GOB provided Asia World and seven other companies with a minimum of fifteen import licenses for new cars to cover their losses. According to Pun, one license, which was transferable and had no expiration date, was worth between \$180,000-200,000. Law is angry, Pun stated, and recently traveled to Nay Pyi Taw to demand payment. Hussain speculated that the GOB may grant Asia World the concession to build and control the deep sea port in Sittwe, which the

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Indians have offered to construct, to compensate for the Nay Pyi Taw construction projects. In addition, the Chinese have been negotiating with Law for the construction of a separate oil and natural gas port, also in Rakhine State.

Tay Za: The Rock Star

¶5. (C) Local businessmen agree that Tay Za, who is Than Shwe's favorite crony, lacks the business experience and cunning of Steven Law. Not one to hide his wealth, Tay Za and his family own more than 20 houses in Rangoon and Singapore, and are often seen driving around town in their fleet of expensive imported cars (Ref C). Pun explained that although Tay Za came into money when he married into the Htoo family, he earned most of his wealth because of his connections to the senior generals. In addition to his many businesses, which include Htoo Trading, Air Bagan, and Htoo Wood products, Tay Za also acts as a purchase agent for the GOB, buying luxury items for regime members and flying them in on Air Bagan planes. He earns his money by charging a 20 percent surcharge, Pun informed us. Hussain explained that despite his connections to the regime, Tay Za already has cash flow problems, which have been exacerbated by the latest round of U.S. sanctions.

¶6. (C) Whereas Steven Law is not popular among the business community, Tay Za has a reputation for being charming, charismatic, and generous. Tay Za always wants to be in the center of attention, both Pun and Hussein told us. We witnessed this firsthand at the November 5 Air Bagan anniversary party, where Tay Za got up on stage and sang several songs to an adoring crowd of 1500 people (to be reported septel). When Tay Za is in Rangoon, Hussain explained, he is always with his entourage of key advisors, including U Lu Lu, U Kyaw Tun of Sun Far Travel, and his brother Thiha. Tay Za is known to be the favorite of Than Shwe's wife, Kyaing Kyaing, and is also close to Thura Shwe Mann.

Comment

¶7. (C) Despite being polar opposites, Steven Law and Tay Za are equally important to the senior generals, albeit in different ways. The GOB depends on Law's Asia World for the construction of key infrastructure projects; Tay Za acts as a commercial front for the senior generals. Regardless of their close connections with the regime, neither Tay Za nor Steven Law is immune from the effects of the GOB's cash crunch. We should continue to tighten the financial squeeze on both the regime and its key cronies. This means adding Steven Law to the targeting sanctions list. DEA Rangoon is working with its headquarters to pass the information they have on Law to appropriate Washington agencies.

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